

CIP BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

3/18/14

CONTACT DEPARTMENT(S):

Parks and Recreation

SUBJECT: Approve an ordinance amending the Fiscal Year 2013-2014 Parks and Recreation Department Capital Budget (Ordinance No. 20130909-002) to increase appropriations by \$600,000 for facility renovations and improvements.

CURRENT YEAR IMPACT:

| | |
|------------------------|---------------------------------------|
| Department: | PARD |
| Project Name: | Facility Renovations and Improvements |
| Project Authorization: | 2013-2014 Capital Budget |
| Funding Source: | 2012 G.O. Bond Program |
| Fund/Dept/Unit: | 8114-8607-NEW |
| Current Budget | 9,250,000 |
| Unencumbered Balance | 6,249,903 |
| This Action | 600,000 |
| Estimated Available | <u>6,849,903</u> |

ANALYSIS / ADDITIONAL INFORMATION: On February 27, 2014, Council directed the City Manager to prepare a budget amendment for Council consideration for upgrading to a commercial kitchen at the Asian American Resource Center (AARC). The AARC was substantially completed in May 2013 with a budget of \$5.9 million which was primarily funded via voter approved debt. At the March 4, 2014 Council work session, Council directed staff to bring forward this item for consideration. Staff identified available funding in the Parks and Recreation Department Capital Budget from the November 2012 voter approved bonds for the renovation, specifically from the Proposition 14 facility renovations and improvements allocation of funds.

A reimbursement resolution is a separate, but related, item on this Council agenda. A reimbursement resolution is required by federal and state law whenever a bond issuer plans to use bond proceeds to retroactively reimburse itself for expenditures the issuer already incurred. The use of a reimbursement resolution is approved in the City's financial policies and allows the City to start projects to be funded with bonds before the City's next scheduled general obligation bond sale. The City typically schedules its annual issuance of general obligation debt in August to coordinate with the budget cycle.